

Message Text

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PAGE 01 STATE 041094

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ORIGIN EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-07

EA-09 FRB-01 INR-07 IO-11 NEA-10 NSAE-00 OPIC-06

SP-02 TRSE-00 CIEP-02 LAB-04 SIL-01 OMB-01 AGR-10

DODE-00 H-02 INT-05 L-03 NSC-05 PA-02 SS-15 STR-04

ITC-01 USIA-15 PRS-01 FEA-01 /144 R

DRAFTED BY EUR/RPE:REBRESLER:CC

APPROVED BY EUR/RPE:JTMCCARTHY

COMMERCE: JSTYER

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R 201833Z FEB 76

FM SECSTATE WASHDC

TO USMISSION OECD PARIS

UNCLAS STATE 041094

E.O. 11652: N/A

TAGS: OECD, EIND

SUBJECT INDUSTRY COMMITTEE ALUMINUM

REF OCED PARIS 31489 75

1. SOECD SHOULD SUGGEST FOLLOWING CHANGES IN REPORTS
PREPARED BY AD HOC WORKING PARTY ON THE ALUMINUM INDUSTRY.

2. DSTI/IND/AL/75.6 (FINAL) WASTE AND SCRAP RECOVERY AND
RECYCLING

PARA. 3 - DELETE THE WORD "WASTE" IN 1ST LINE.

PARA 9 - 9 DELETE THE WORD "WASTE IN 2ND LINE.

PAR. 12 - CHANGE 4TH SENTENCE TO READ AS FOLLOWS:

"IN THOSE COUNTRIES WHERE LEGALLY PERMISSABLE, PRODUCER-
CUSTOMER PURCHASE AGREEMENTS FREQUENTLY COVER ALL THE
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PAGE 02 STATE 041094

SCRAP GENERATED IN CUSTOMER PLANTS IN THE COURSE OF USING

THE PRODUCER'S PRODUCTS."

PAR. 43 - IN LINE 9 CHANGE "2 BILLION, A 25 PERCENT" TO
READ "2.3 BILLION, ABOUT A 44 PERCENT."

3. DSTI/IND/AL/75.8 (FINAL) - INFLATION AND THE
ALUMINUM INDUSTRY

PAR. 21 - WHAT IS MEANT BY THE WORDS "CAPITAL STOCK"
IN 1ST LINE?

PAR. 33 - ADD TO END OF 3RD SENTENCE, LINE 10, "AND IS
ESTIMATED AT ABOUT 3.6 PERCENT FOR 1975."

4. DSTI/IND/AL/75.15 (FINAL) - ENERGY AND THE
PRIMARY ALUMINUM INDUSTRY

PAGE 3 - IN FOOTNOTE (1) AT BOTTOM OF PAGE CHANGE
"(WORLD ENERGY CONFERENCE" TO READ "(WASHINGTON ENERGY
CONFERENCE)"

5. DSTI/IND/AL/76.1 INDUSTRIAL ADAPTATION AND THE
PRIMARY ALUMINUM INDUSTRY

PAR. 1 - CHANGE 5TH LINE TO READ AS FOLLOWS:

"MARKET SITUATION AND LARGE OVER SUPPLY POSITION
DURING 1975 AND INTO 1976"

PARA 2 - INVERT 1ST AND 2ND SENTENCES. ALSO DELETE
LAST TWO WORDS OF PARAGRAPH (AND ENERGY)

PAR. 3 - CHANGE BEGINNING OF LAST SENTENCE TO READ

"FURTHER PROGRESS IN REDUCING ENERGY CONSUMPTION HAS
AND WILL REQUIRE MAJOR TECHNOLOGICAL DEVELOPMENTS
INVOLVING SUBSTANTIAL CAPITAL EXPENDITURES SINCE...

PAR. 4 - CHANGE THE WORD "GOVERNMENTS" IN 2ND
SENTENCE TO READ "GOVERNMENT AGENCIES"
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PAGE 03 STATE 041094

PAR. 5 - CHANGE 1ST LINE TO READ AS FOLLOWS:

"IN THIS PERIOD OF RECESSION AND STAGNATION IN
ALUMINUM"

CHANGE LAST SENTENCE TO READ AS FOLLOWS:

"THIS POLICY, WHICH IS CONSISTENT WITH THE CONCLUSIONS OF THE 1973 AD HOC WORKING PARTY STUDY ON PROBLEMS AND PROSPECTS OF THE PRIMARY ALUMINUM INDUSTRY, HAS REDUCED FINANCING OF FURTHER INVENTORIES, WHICH AT PRESENT LEVELS REQUIRE A CARRYING COST OF SOME \$16 MILLION PER MONTH AT PREVAILING INTEREST RATES, A FINANCIAL BURDEN WHICH HAS SERIOUSLY STRAINED THE LIQUIDITY POSITION OF THE INDUSTRY."

PARA 10 - THE INTENT OF THIS PARAGRAPH IS UNCLEAR. WE WOULD LIKE TO DISCUSS IT AT THE FEBRUARY 23-24 MEETING.

PAR. 11 - CHANGE 5TH LINE TO READ AS FOLLOWS:

"POSSESSES WIDESPREAD ACCESS TO ALTERNATIVE ENERGY SOURCES PARTICULARLY"

IN 3RD SENTENCE, LINES 16 AND 17, DELETE THE WORDS "TO THE PROXIMITY OF" AND INSERT THE WORD "RELATIVELY"

IN 4TH SENTENCE, LINES 21 AND 22, DELETE THE WORDS "FOR INSTANCE IN THE MIDDLE EAST"

PAR. 13 - DELETE THE LAST SENTENCE OF THE PARAGRAPH.

PAR. 15 - FOURTH LINE: DELETE WORDS "THE BIGGEST" AND INSERT WORDS "ANOTHER MAJOR". FIFTH LINE: DELETE WORDS "SO MUCH" AND INSERT WORD "ONLY".

PAR. 16 - DELETE THE ENTIRE PARAGRAPH.

6. AT FEBRUARY 23-24 MEETING OF AD HOC WORKING PARTY ON ALUMINUM US DEL SHOULD MAKE FOLLOWING STATEMENTS ON UNCLASSIFIED

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PAGE 04 STATE 041094

DSTI/IND/AL/76.1:

-- NO REFERENCE IS MADE IN REPORT TO FOLLOWING ISSUES RAISED AT NOVEMBER 13-14, 1975 MEETING BY U.S. INDUSTRY ADVISOR:

ACCESS TO RAW MATERIALS
SANCTITY OF CONTRACTS
INTERNAL ECONOMIC/POLITICAL REALITIES, I.E.;

-- RELATIONS WITH ORGANIZED LABOR
-- EXPORT OF JOBS
-- INCREASING STATE PARTICIPATION
-- IMPACT OF GATT NEGOTIATIONS

AT THE NOVEMBER 13-14 MEETING THE WORKING PARTY CONCURRED THAT THE ABOVE WERE RELEVANT AND THE CHAIR SAID THEY WOULD BE MENTIONED IN CONCLUSIONS AS "OVERALL PROBLEMS." (SEE PARA 7 REFTTEL) WHEREAS THESE FUNDAMENTAL ISSUES HAVE NOT BEEN DEALT WITH IN THE BASIC REPORTS, WE RECOMMEND THAT THEY BE INCLUDED IN THE GENERAL CONCLUSIONS. THE CURRENT AND POTENTIAL PROBLEMS OF THESE ISSUES MAY HAVE AN INCREASINGLY SIGNIFICANT IMPACT ON THE STRUCTURAL ADAPTATION OF THE ALUMINUM INDUSTRY.

-- OTHERWISE REPORT ADEQUATELY REFLECTS THE LESSONS LEARNED FROM THE STUDIES UNDERTAKEN OF THE IMPACT ON THE ALUMINUM INDUSTRY AT THIS TIME OF THE ENERGY CRISIS, INFLATION, CHANGING SUPPLY CONDITIONS AND THE POSSIBILITIES FOR WASTE AND SCRAP RECOVERY;

-- REPORT SHOULD BE PUBLISHED AT THE EARLIEST OPPORTUNITY;

-- REPORT DOES NOT SUGGEST AREAS FOR FUTURE ACTIVIT; BY THE WORKING PARTY, WHICH BY THE SUBMISSION OF THE FOUR SUBSTANTIVE REPORTS AND THE REPORT HAS COMPLET D THE MANDATE GIVEN TO IT BY THE INDUSTRY COMMITTEE. INGERSOLL

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ALUMINUM, COMMITTEE MEETINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 20 FEB 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE041094
Document Source: CORE
Document Unique ID: 00
Drafter: REBRESLER:CC
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760065-0461
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760229/aaaaayui.tel
Line Count: 192
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: cahillha
Review Comment: n/a
Review Content Flags:
Review Date: 26 JUL 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <26 JUL 2004 by oatisao>; APPROVED <21 JAN 2005 by cahillha>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: INDUSTRY COMMITTEE ALUMINUM
TAGS: EIND, OECD
To: OECD PARIS
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006